

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE PLATINUM-BEECHWOOD LITIGATION

Master Docket No. 1:18-cv-06658-JSR

MELANIE L. CYGANOWSKI, as Equity Receiver for PLATINUM PARTNERS CREDIT OPPORTUNITIES MASTER FUND LP, PLATINUM PARTNERS CREDIT OPPORTUNITIES FUND (TE) LLC, PLATINUM PARTNERS CREDIT OPPORTUNITIES FUND LLC, PLATINUM PARTNERS CREDIT OPPORTUNITIES FUND INTERNATIONAL LTD., PLATINUM PARTNERS CREDIT OPPORTUNITIES FUND INTERNATIONAL (A) LTD., and PLATINUM PARTNERS CREDIT OPPORTUNITIES FUND (BL) LLC, Plaintiffs,

18-cv-12018-JSR

v.

BEECHWOOD RE LTD., *et al.*, Defendants.

WASHINGTON NATIONAL INSURANCE COMPANY and BANKERS CONSECO LIFE INSURANCE COMPANY, Third-Party Plaintiffs,

v.

MARK NORDLICHT, *et al.*, Third-Party Defendants.

Third-Party Defendant Murray Huberfeld (“Huberfeld”), by and through his undersigned counsel, hereby answers the third-party complaint (“TPC”) of Bankers Conseco Life Insurance Company (“BCLIC”) and Washington National Insurance Company (“WNIC,” and together with BCLIC, “CNO”) as follows:

1. Paragraphs 1-469 of the TPC contain CNO's response to the Complaint of Melanie L. Cyganowski, to which no response is required. To the extent a response is required, Huberfeld denies any allegations directed to him contained in paragraphs 1-469 of the TPC.

CROSS-CLAIMS AND THIRD-PARTY CLAIMS

Introduction

2. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 470, 471, 472, 473, 474, 475 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

Jurisdiction and Venue

3. The allegations of paragraphs 476 and 477 of the TPC purport to state conclusions of law to which no response is required. To the extent a response is required, Huberfeld denies the allegations set forth in paragraphs 476 and 477 of the TPC.

The Cross-Claim and Third-Party Plaintiffs

4. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 478 and 479 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

The Racketeers, the Structure of their Conspiracy and a Sampler of their Roles and Fraudulent Acts

5. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 480, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516,

517, 518, 519, 520, 521 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

6. Huberfeld denies the allegations set forth in paragraph 481 of the TPC, except admits that he is, as of the date of this writing, a “defendant in the PPVA action” and refers to each document referenced therein for its terms and content.

Statement of Facts

A. The Start of the Conspiracy

7. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 522, 524, 525, 526, 530, 531, 532, 533, 534 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

8. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 523, 529, 535 of the TPC.

9. Huberfeld refers to the documents referenced in paragraphs 527 and 528 of the TPC for their terms and content, and otherwise denies the allegations directed to him set forth in paragraphs 527 and 528 of the TPC.

B. The Co-Conspirators Defraud WNIC and BCLIC

10. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraph 536 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

11. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraph 537 of the TPC.

a. Misrepresentations about the Control and Ownership of Beechwood

12. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 538, 539, 540 of the TPC.

13. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 541 and 542 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

b. Misrepresentations about Beechwood's Capital

14. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 543 and 544 of the TPC.

15. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 545, 546, 547, 548, 549 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

c. Misrepresentations about Beechwood's Investment Plans

16. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraph 550 of the TPC.

17. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraph 551 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

1. The leveraging scheme

18. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 552, 553, 554, 560 of the TPC.

19. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 555, 556, 557, 558, 559, 561 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

2. The false promise of safe investments

20. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraph 562 of the TPC.

21. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 563 and 564 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

3. The lie about Beechwood's investment process

22. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 565 and 567 of the TPC.

23. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraph 566 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

4. The lie about Levy's qualifications

24. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in

paragraphs 568 and 569 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

5. The lie about “independent” valuations

25. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraph 570 of the TPC.

26. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraph 571 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

d. Misrepresentations about the Beechwood Management Team

27. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 572, 573, 574, 575, 576, 579, 580, 581, 582, 583, 586, 587, 588, 589, 591, 592 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

28. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 577, 578, 584, 585 of the TPC.

29. Huberfeld admits that for a certain period of time he maintained an office in the same premises as Beechwood, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraph 590 of the TPC, and refers to the document referenced therein for its terms and content.

C. Key Provisions of the Reinsurance Agreements

30. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603 of the TPC.

D. The Fraud Continues after the Reinsurance Agreements are Signed

31. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 604, 605, 606, 607, 608, 609, 610 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

a. Continuing Misrepresentations about Ownership and Control of Beechwood

32. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 611, 612, 613, 614, 615 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

b. Continuing Misrepresentations about Beechwood's "Capital"

33. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 616, 617, 618, 619, 620, 625, 626, 627 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

34. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 621, 622, 623, 624 of the TPC.

c. Continuing Misrepresentations about Beechwood's Management Team

35. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in

paragraphs 628, 629, 632, 634, 635, 636 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

36. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 630, 631, 633 of the TPC.

d. Continuing Misrepresentations about How Beechwood Invested Trust Assets

37. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 637, 638, 639, 640, 641, 642, 643, 644, 646, 647, 650, 651, 652 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

38. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 645, 648, 649 of the TPC.

E. Secreting the Proceeds of the Racketeering Activity

39. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 653, 654, 655 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

40. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraph 656 of the TPC.

F. Beechwood Re's Many Breaches of the Reinsurance (and Accompanying) Agreements

41. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 657, 658, 659, 660, 661, 662, 664, 665, 667, 668, 669, 670, 672, 673, 674, 675, 676 of the TPC.

42. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 663, 666, 671 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

G. The Platinum House of Cards Collapses and Beechwood is Revealed as Integrated with It

43. Huberfeld admits that he was arrested on June 8, 2016, otherwise denies the allegations directed to him, and denies knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations, set forth in paragraph 677; and refers to each document referenced there for its terms and content

44. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 678, 680, 682, 683 of the TPC, and refers to each document referenced therein (if any) for its terms and content.

45. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 679 and 681 of the TPC.

H. The EDNY Indictment and SEC Complaint

46. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 684, 685, 686 of the TPC.

I. Beechwood Re Is Placed Into Controllership

47. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 687 and 688 of the TPC.

J. Beechwood Bermuda's Assets Are Sold

48. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 689 and 690 of the TPC.

K. Lincoln Actively Participates in the Fraud

a. Platinum Engages Lincoln to Further the Fraud

49. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraph 691 of the TPC.

1. Lincoln Accepts Platinum Engagement as Opportunity to Gain Future Business, with Full Knowledge that Platinum and Beechwood Re Are Related

50. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703 of the TPC.

2. Despite an Engagement Letter with "Beechwood," Lincoln Knowingly Works for Platinum

51. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 704, 705, 706 of the TPC.

b. Lincoln Knowingly Issues Valuation Reports Based on False and Misleading Information

52. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 707 and 708 of the TPC.

1. Lincoln Knew That the Information Relied On by Beechwood Re/BAM was Deficient

53. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730 of the TPC.

2. Lincoln Knew That the Information Contained in Its Valuation Reports was Inaccurate

54. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 731, 732, 733, 734, 735 of the TPC.

3. Lincoln Knew That It Was Not Operating As An Independent Agent

55. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751 of the TPC.

4. Lincoln Knew That CNO Relied on Its Sham Valuation Reports

56. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 752, 753, 754, 755, 756, 757, 758, 759 of the TPC.

c. Lincoln Terminates the Relationship

57. Huberfeld denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in paragraphs 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783 of the TPC.

Claims for Relief

Count One

**Violation of Civil RICO – 18 U.S.C. § 1962(c)
(Against Nordlicht, Huberfeld, Bodner, Feuer Family Trust,
Taylor-Lau Family Trust, Hodgdon, Slota, Small, Leff, Manela,
Ottensoser, Kim, Saks, Poteat, Narain, Holdings, BAM,
BAM Administrative, BBL, BBIL, PB Investment,
as successor-in-interest to BBIH, Beechwood Investments
and each Series, Beechwood Trusts Nos. 1-20 and Lincoln)**

58. In response to paragraph 784 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-783 of the TPC as if fully set forth herein.

59. Paragraphs 785-793 of the TPC purport to state allegations in support of a claim that was dismissed by the Court in its August 19, 2019 Order, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Two

**RICO Conspiracy – 18 U.S.C. § 1962(d)
(Against Nordlicht, Huberfeld, Bodner, Feuer Family Trust,
Taylor-Lau Family Trust, Hodgdon, Slota, Small, Leff, Manela,
Ottensoser, Kim, Saks, Poteat, Narain, Holdings,
BAM, BAM Administrative, BBL, BBIL,
PB Investment, as successor-in-interest to BBIH, Beechwood Investments
and each Series, Beechwood Trusts Nos. 1-20 and Lincoln)**

60. In response to paragraph 794 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-793 of the TPC as if fully set forth herein.

61. Paragraphs 795-799 of the TPC purport to state allegations in support of a claim that was dismissed by the Court in its August 19, 2019 Order, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Three

**Fraudulent Inducement and Fraud
(Against Hodgdon, Slota, Small, Leff, Manela,
Ottensoser, Kim, Saks, Poteat and Narain)**

62. In response to paragraph 800 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-799 of the TPC as if fully set forth herein.

63. Paragraphs 801-807 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Four

**Fraudulent Inducement and Fraud
(Against BBL, BBIL and PB Investment,
as successor-in-interest to BBIH)**

64. In response to paragraph 808 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-807 of the TPC as if fully set forth herein.

65. Paragraphs 809-815 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Five

**Fraudulent Inducement and Omission
(Against Lincoln)**

66. In response to paragraph 816 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-815 of the TPC as if fully set forth herein.

67. Paragraphs 817-825 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Six

**Negligent Misrepresentation
(Against Lincoln)**

68. In response to paragraph 826 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-825 of the TPC as if fully set forth herein.

69. Paragraphs 827-834 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Seven

**Aiding and Abetting Fraud
(Against Nordlicht, Huberfeld, Bodner, Feuer Family Trust,
Taylor-Lau Family Trust, Hodgdon, Slota, Small, Leff, Manela,
Ottensoser, Kim, Saks, Poteat, Narain, Holdings, BAM, BAM Administrative,
BBL, BBIL, PB Investment, Beechwood Investments
and each Series and Beechwood Trusts Nos. 1-20)**

70. In response to paragraph 835 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-834 of the TPC as if fully set forth herein.

71. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 836, 837, 838, 839, 840, 841, 842, 843 of the TPC.

Count Eight

**Aiding and Abetting Fraud
(Against Lincoln)**

72. In response to paragraph 844 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-843 of the TPC as if fully set forth herein.

73. Paragraphs 845, 846, 847, 848, 849, 850, 851, 852 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Nine

**Conspiracy to Commit Fraud
(Against Lincoln)**

74. In response to paragraph 853 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-852 of the TPC as if fully set forth herein.

75. Paragraphs 854-860 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Ten

**Breach of Contract
(Against Lincoln)**

76. In response to paragraph 861 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-860 of the TPC as if fully set forth herein.

77. Paragraphs 862-865 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Eleven

**Breach of Fiduciary Duty
(Against BAM, BAM Administrative,
Hodgdon, Saks, Kim and Narain)**

78. In response to paragraph 866 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-865 of the TPC as if fully set forth herein.

79. Paragraphs 867-872 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Twelve

**Aiding and Abetting Breach of Fiduciary Duty
(Against Nordlicht, Huberfeld, Bodner, Feuer Family Trust,
Taylor-Lau Family Trust, Hodgdon, Slota, Small, Leff,
Manela, Ottensoser, Kim, Saks, Poteat, Narain, Holdings,
BAM, BAM Administrative, BBL, BBIL, PB Investment,
as successor-in-interest to BBIH, Beechwood Investments
and each Series and Beechwood Trusts Nos. 1-20)**

80. In response to paragraph 873 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-872 of the TPC as if fully set forth herein.

81. Huberfeld denies the allegations directed to him, and otherwise denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations, set forth in paragraphs 874-879 of the TPC.

Count Thirteen

**Aiding and Abetting Breach of Fiduciary Duty
(Against Lincoln)**

82. In response to paragraph 880 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-879 of the TPC as if fully set forth herein.

83. Paragraphs 881-888 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Fourteen

**Fraudulent Conveyance
(Against BBL, BBIL and PB Investment, as successor-in-interest to BBIH)**

84. In response to paragraph 889 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-888 of the TPC as if fully set forth herein.

85. Paragraphs 890-900 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Fifteen

**Fraudulent Conveyance
(Against BBL, BBIL and PB Investment, as successor-in-interest to BBIH)**

86. In response to paragraph 901 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-900 of the TPC as if fully set forth herein.

87. Paragraphs 902-906 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Sixteen

**Fraudulent Conveyance
(Against BBL, BBIL and PB Investment, as successor-in-interest to BBIH)**

88. In response to paragraph 907 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-906 of the TPC as if fully set forth herein.

89. Paragraphs 907-912 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Seventeen

**Fraudulent Conveyance
(Against BBL, BBIL and PB Investment, as successor-in-interest to BBIH)**

90. In response to paragraph 913 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-912 of the TPC as if fully set forth herein.

91. Paragraphs 914-918 of the TPC purport to state allegations in support of a claim that is not directed to Huberfeld, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Eighteen

**Contribution/Indemnity
(Against Beechwood Re, Feuer, Taylor, Levy, Beechwood Capital Group,
Nordlicht, Huberfeld, Bodner, Feuer Family Trust,
Taylor-Lau Family Trust, Hodgdon, Slota, Small, Leff, Manela,**

**Ottensoser, Kim, Saks, Poteat, Narain, Holdings, BAM, BAM Administrative,
BBL, BBIL, PB Investment, as successor-in-interest to BBIH,
Beechwood Investments and each Series,
Beechwood Trusts Nos. 1-20, and Lincoln)**

92. In response to paragraph 919 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-918 of the TPC as if fully set forth herein.

93. Paragraphs 920-922 of the TPC purport to state allegations in support of a claim that was dismissed by the Court in its August 19, 2019 Order, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

Count Nineteen

**Unjust Enrichment/Constructive Trust
(Against Nordlicht, Huberfeld, Bodner, Feuer Family Trust,
Taylor-Lau Family Trust, Hodgdon, Slota, Small, Leff, Manela,
Ottensoser, Kim, Saks, Poteat, Narain, Holdings, BAM,
BAM Administrative, BBL, BBIL, PB Investment,
as successor-in-interest to BBIH, Beechwood Investments
and each Series, Beechwood Trusts Nos. 1-20 and Lincoln)**

94. In response to paragraph 923 of the TPC, Huberfeld repeats and realleges the responses to paragraphs 1-922 of the TPC as if fully set forth herein.

95. Paragraphs 923-926 of the TPC purport to state allegations in support of a claim that was dismissed by the Court in its August 19, 2019 Order, and to which no response is required. To the extent a response is required, Huberfeld denies the allegations directed to him set forth in those paragraphs.

WHEREFORE, Huberfeld denies that CNO is entitled to the relief set forth in the *ad damnum* clause, or to any relief at all.

GENERAL DENIAL

Except as otherwise expressly admitted above, Huberfeld denies each and every allegation of the TPC, and specifically denies any wrongdoing or liability to CNO.

AFFIRMATIVE DEFENSES

Without in any way admitting any of the allegations in the TPC, and without admitting or suggesting that Huberfeld bears the burden of proof on any of the following issues, Huberfeld alleges the following separate and independent affirmative defenses:

First Affirmative Defenses

CNO's claims against Huberfeld are barred in whole or in part for lack of standing.

Second Affirmative Defense

CNO's claims against Huberfeld are barred in whole or in part for failure to state a claim.

Third Affirmative Defense

CNO's claims against Huberfeld are barred in whole or in part for failure to allege their claims sounding in fraud, misrepresentation, and/or breach of trust with requisite particularity.

Fourth Affirmative Defense

CNO's claims against Huberfeld are barred in whole or in part by applicable statutes of limitation.

Fifth Affirmative Defense

CNO's claims against Huberfeld are barred in whole or in part by the doctrine of *in pari delicto*.

Sixth Affirmative Defense

CNO's claims against Huberfeld are barred in whole or in part by CNO's, or CNO's agents', representatives', or consultants', inequitable conduct.

Seventh Affirmative Defense

CNO's claims against Huberfeld are barred in whole or in part by the equitable doctrines of bad faith and unclean hands.

Eighth Affirmative Defense

CNO's claims against Huberfeld are barred, based on CNO's conduct, in whole or in part by equitable doctrines, including acquiescence, waiver, estoppel, and laches.

Ninth Affirmative Defense

CNO's claims against Huberfeld are barred in whole or in part, and/or CNO's damages must be reduced, because CNO failed to mitigate damages.

Tenth Affirmative Defense

CNO's claims against Huberfeld are barred in whole or in part by the doctrine of intervening or superseding causation.

Eleventh Affirmative Defense

CNO's claims for punitive damages against Huberfeld are barred because an award of punitive damages is not permissible.

Twelfth Affirmative Defense

CNO's claims are barred, in whole or in part, because they have been released, discharged, compromised, and settled; and/or by accord and satisfaction.

Reservation And Non-Waiver Of Additional Affirmative Defenses

Huberfeld reserves the right to assert and rely on, and does not waive, any additional defenses that become available or apparent during the course of this action.

WHEREFORE, Huberfeld respectfully requests judgment dismissing CNO's claims as against Huberfeld in their entirety with prejudice, awarding Huberfeld costs and expenses,

including attorneys' fees, and such further and additional relief as the court deems just and proper.

Dated: New York, New York
September 13, 2019

/s/ Jeffrey C. Daniels
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